REMARKS

The above amendments to the above-captioned application along with the following remarks are being submitted as a full and complete response to the Office Action dated May 25, 2006. In view of the above amendments and the following remarks, the Examiner is respectfully requested to give due reconsideration to this application, to indicate the allowability of the claims, and to pass this case to issue.

Status of the Claims

As outlined above, claims 1-13 stand for consideration in this application, wherein claims 5-12 are being amended to correct formal errors and to more particularly point out and distinctly claim the subject invention. All amendments to the application are fully supported therein. Applicants hereby submit that no new matter is being introduced into the application through the submission of this response.

Prior Art Rejections

The First 35 U.S.C. §103(a) rejection

Claims 1-7 and 10-13 were rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Iijima (U.S. Pat. No. 6,906,767) in view of Masaki et al. (U.S. Pat. Appl. Pub. No. 2002/0033915). This rejection is respectfully traversed for the reasons set forth below.

According to the Manual of Patent Examining Procedure (M.P.E.P. §2143),

To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both not be found in the prior art, not in the applicant's disclosure.

Furthermore, referring to *In re Fulton*, M.P.E.P. §2143. 01 (I) sets forth as follows:

The court emphasized that the proper inquiry is "whether there is something in the prior art as a whole to suggest the desirability, and thus obviousness, of course, of making the combination," not whether there is something in the prior art as a whole to suggest that the combination is the most desirable combination available.

Furthermore, referring to In re Mills, M.P.E.P. §2143. 01 (III) sets forth as follows:

The mere fact that reference <u>can</u> be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination.

Claim 1

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Claim 1 as amended recites that a liquid crystal display device comprises: a transmissive type liquid crystal display panel which sandwiches a liquid crystal layer between a pair of substrates; and a backlight arranged at a back face of the liquid crystal display panel and having a light source and a reflector, wherein the liquid crystal display device is capable of performing as a transmissive display which uses light from the light source and as a reflective display which uses external light incident from a front face side of the liquid crystal display panel by reflecting the external light on the reflector, the improvement being characterized in that a polarizer is arranged between the back-face-side substrate of the pair of substrates and the backlight, the polarizer being formed to absorb polarized light having a predetermined polarization direction, at least two or more light diffusion layers are arranged between the back-face-side substrate of the pair of substrates and the reflector of the backlight, the at least two or more light diffusion layers including a first diffusion layer and a second diffusion layer, and a prism sheet is arranged between the first diffusion layer and the second diffusion layer.

As admitted by the Examiner, Iijima fails to show that at least two or more light diffusion layers are arranged between the back-face-side substrate of the pair of substrates and the reflector of the backlight, and a prism sheet is arranged between the first diffusion layer and the second diffusion layer.

Masaki shows in Fig. 4 a light diffusion film 25, a lens film 40 and a protective diffusion film 10. As shown in Fig. 4, the surface of a lens film is a prism. In other words, a prism is a part of the lens film. However, Masaki does not show or explicitly or implicitly suggest using a separate prism sheet arranged between two diffusion layers. Masaki has no desirability to comprise a prism sheet because the lens film has already a prism. Also, Iijima and Masaki has no desirability or motivation to add a prism sheet because the cost to add a prism sheet in their structure is expensive

In sum, there is no suggestion or motivation in either Iijima or Masaki to combine these features explicitly or implicitly, or in the knowledge generally available to one of ordinary skill in the art at the time the invention was made to embody all the features of the invention as recited in claim 1. Accordingly, claim 1 is not obvious in view of all the prior art recited.

Claim 5

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Claim 5 has the substantially same features as those of claim 1, at least with respect to at least two or more light diffusion layers being arranged between the back-face-side substrate of the pair of substrates and the reflector of the backlight, and a prism sheet being arranged between the first diffusion layer and the second diffusion layer. As such, the arguments set forth above are equally applicable here. Claim 1 being allowable, claim 5 must also be allowable.

Claims 2-7, 10-13

As to dependent claims 2-7 and 10-13, the arguments set forth above with respect to independent claims 1 and 5 are equally applicable here. The corresponding base claims being allowable, claims 2-7 and 10-13 must also be allowable.

The Second 35 U.S.C. §103(a) rejection

Claim 8 was rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Iijima in view of Masaki and in further view of Kuroiwa et al. (U.S. Pat. No. 6,317,180). This rejection is respectfully traversed.

Claim 8 being dependent on claim 5 has the substantially same features, at least with respect to at least two or more light diffusion layers being arranged between the back-face-side substrate of the pair of substrates and the reflector of the backlight, and a prism sheet being arranged between the first diffusion layer and the second diffusion layer, but further recites the feature of at least one of the light diffusion layers being arranged on a surface of the polarizer at a side where the light guide body is positioned.

Applicants will submit that the secondary reference of Kuroiwa is only cited for showing features recited in a dependent claim, and fails to provide any disclosure, teaching or suggestion that makes up for the deficiencies in Masaki. As such, the arguments set forth above with respect to claim 5 are equally applicable here. Claim 5 being allowable, claim 8 must also be allowable.

The Third 35 U.S.C. §103(a) rejection

Claim 9 was rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Iijima in view of Masaki and in further view of Satoh et al. (U.S. Pat. No. 5,847,795). This rejection is respectfully traversed for the reasons set forth below.

Claim 9 being dependent on claim 5 has the substantially same features, at least with respect to at least two or more light diffusion layers being arranged between the back-face-side substrate of the pair of substrates and the reflector of the backlight, and a prism sheet being arranged between the first diffusion layer and the second diffusion layer, but further recites the feature of the polarizer being provided with an antiglare layer as the light diffusion layer.

Applicants will submit that the secondary reference of Satoh is only cited for showing features recited in a dependent claim, and fails to provide any disclosure, teaching or suggestion that makes up for the deficiencies in Masaki. As such, the arguments set forth above with respect to claim 5 are equally applicable here. Claim 5 being allowable, claim 9 must also be allowable.

Conclusion

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In view of all the above, Applicants respectfully submit that certain clear and distinct differences as discussed exist between the present invention as now claimed and the prior art references upon which the rejections in the Office Action rely. These differences are more than sufficient that the present invention as now claimed would not have been anticipated nor rendered obvious given the prior art. Rather, the present invention as a whole is distinguishable, and thereby allowable over the prior art.

Favorable reconsideration of this application as amended is respectfully solicited. Should there be any outstanding issues requiring discussion that would further the prosecution and allowance of the above-captioned application, the Examiner is invited to contact the Applicants' undersigned representative at the address and telephone number indicated below.

Respectfully submitted,

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November 27, 2006 SPF/JCM/YOM